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MEMORANDUM
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TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

~~ARIZONA CORPORATION COMMISSION~~
~~DOCKET CONTROL~~

ORIGINAL

DATE: November 26, 2014

RE: STAFF REPORT FOR THE APPLICATION OF UNS ELECTRIC, INC. AND UNS GAS, INC. FOR THE APPROVAL OF JOINT FINANCING.
(DOCKET NOS. E-04204A-13-0447 AND G-04204A-13-0447)

Per the Procedural Order dated November 4, 2014, attached is the Engineering Report for UNS Gas.


Any party who wishes may file comments on the Engineering Report for UNS Gas with the Commission's Docket Control on or before December 4, 2014.

SMO:AB:tdp | MAS

Originator: Alan Borne


Arizona Corporation Commission
DOCKETED

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MEMORANDUM

TO: Ed Stoneburg
Utilities Engineer
Utilities Division

FROM: Alan Borne 
Lead Pipeline Inspector
Pipeline Safety Section

DATE: November 12, 2014

SUBJECT: UNS GAS, INC.'S FINANCING APPLICATION
(DOCKET NO. G-04204A-13-0447)

UNS Electric, Inc. ("UNS Electric") and UNS Gas, Inc. ("UNS Gas") (collectively, the "Companies") filed with the Commission pursuant to A.R.S. §§ 40-301 and 40-302, a Joint Application for Financing ("Application") requesting inter alia, that UNS Electric be authorized to issue up to \$80 million in new long term debt and UNS Gas be authorized to issue up to \$50 million in additional long-term debt.

Background

UNS Gas serves over 150,000 natural gas customers in Santa Cruz, Mohave, Yavapai, Coconino and Navajo Counties from an August 31, 2014 customer count, an increase of over 3,800 over the last 4 years.

Staff's Analysis and Conclusions

Staff has analyzed the UNS Gas Application and reviewed the capital budget, which provides monies for infrastructure development, including new distribution mains and services, upgrades to the existing systems and installation of new equipment such as measurement and pressure regulating stations.

Based on the review, Staff believes that the Company's proposed capital expenditures are appropriate to meet the projected needs of UNS Gas existing and new customers and ensure system reliability.

Staff further concludes that the expenditure levels associated with the projects proposed by the Company appear to be reasonable. However this does not imply a specific treatment of rate base for rate making purposes in the Company's future rate filings.

Service List for: UNS Electric, Inc. and UNS Gas, Inc.
Docket Nos. E-04204A-13-0447 and G-04204A-13-0447

Michael Patten
Roshka DeWulf & Patten, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

Bradley Carroll
Legal Department-HQE910
Post Office Box 711
Tucson, Arizona 85702